



solutions for your information

March 14, 2000

TESTIMONY

TO: Members of the Senate Health, Utilities, Veterans
& Military Affairs Committee

FROM: Michael P. Wickman, President
Information Management Corporation
1030 Ontario Road
Green Bay, WI 54311

RE: OPPOSITION TO SENATE BILL LRB 1359

Information Management Corporation (IMC) is a document management service company that specializes in providing efficient and cost effective solutions for paper and electronic information retention and distribution within the health care environments.

IMC was founded in Wisconsin in 1982, and is headquartered in Green Bay with offices in Milwaukee and Madison. IMC currently employs approximately 550 people, and has an annual revenue of \$17 million; 50% being comprised from the release of patient information.

Current law gives the Department of Health and Family Services (DHFS) the power to set the allowable fees that can be charged for the copying of medical records which are SUBJECT TO SUBPOENA. LRB 1359 would extend these rates set by DHFS to any record request made by an attorney or third party requestor regardless of whether the request is for a bona fide court case.

IMC opposes LRB 1359 because the cap on the fees set in this bill will not adequately cover the costs of copying a medical record.

IMC asks that you please consider the following:

1. COURT APPEARANCE VS. RECORD COPYING

The original fees set by DHFS were based on negotiations between attorneys and providers of medical records. These negotiations were based on copies requested SPECIFICALLY for court use. By providing the copies for court use, the health care provider avoids an appearance in court to identify the documents. Court appearances by medical records personnel are extremely costly; therefore, providers were willing to agree to a reduced fee schedule.

2. COPYING MEDICAL RECORDS IS NOT "KINKOS" COPYING

The copying of a medical record is not simply placing a piece of paper on a copy machine. In fact, a "copy" is merely a bi-product of the release of information process. The time consumed to produce copies is insignificant to the entire release of information (ROI) process. There are numerous steps involved in responding to a request for a copy of medical records. The staff required is highly trained, and must be familiar with the clinical aspects as well as the statutory requirements and penalty provisions of a patient record.

I have attached for your review and consideration, a flow-chart that describes the actual steps involved in processing a health information record request. You will notice that there are in excess of seventy (70) considerations associated with the process. (SEE ATTACHMENT – NOTE THAT COPY PROCESS IS HIGHLIGHTED)

In addition, there are considerable overhead expenses that must be considered. These include, but are not limited to, the following factors:

- Recruitment, supervision, training and management
- Employee benefits
- Capital expenditures for copying equipment including computer hardware/software and upgrades
- Postal costs
- Supply costs
- Collection expense and bad debt expense

3. ACTUAL COSTS

Individuals who request records are asking that someone provide a service. Attorneys, authorized by the patient, may review records at a health care facility at no cost. However, when an individual asks for a service for their convenience, that service being processing and delivering of that information, it should be reasonable to expect that they pay a fair rate for that service. The attorneys and insurance companies are asked to pay a reasonable rate in order to avoid the costly expense of traveling to a health care facility to audit medical record documents.

Currently, our average request that is "certified", or subject to subpoena, is requiring the processing of 95 pages. Our costs associated with that process are \$101.25 plus postage. Current law (908.03 6m) governs that we can charge only \$33.75 for that request. Therefore, for every attorney request that IMC honors that is subject to subpoena, our company loses an average of \$67.50. If we were required to provide ALL requests based on LRB 1359 legislation, it would be devastating to our company, and it could force IMC out of business or require the shifting of costs to the patient health care provider. We estimate that the total impact on Wisconsin hospitals and clinics, if LRB 1359 passed, would be an added cost of \$18-21 million dollars annually that is not currently budgeted.

CONCLUSION

If LRB 1359 becomes law in Wisconsin, IMC would be severely affected. We would no longer be able to remain profitable and cover our costs of doing business. IMC would be forced out of business or required to pass additional costs on to the patients in order to help defray the cost of providing processing services and copies at less than actual cost. IMC asks that you defeat LRB 1359.

Thank you for your consideration.

Michael P. Wickman
President
Information Management Corporation